

**BIRMINGHAM ROYAL BALLET**  
**(A Company Limited by Guarantee)**

**Report and Financial Statements**

**31 March 2009**

**BIRMINGHAM ROYAL BALLET**  
**(A Company Limited by Guarantee)**

**REPORT AND FINANCIAL STATEMENTS 2009**

**OFFICERS AND PROFESSIONAL ADVISERS**

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**BIRMINGHAM ROYAL BALLET**  
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**REPORT AND FINANCIAL STATEMENTS 2009**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Mrs Tessa King-Farlow DL (Chair) (resigned 02 April 2009)  
Professor Michael Clarke OBE DL (Chair) (appointed 08 December 2008)  
Mr David Hollingsworth (resigned 08 December 2008)  
Ms Jane Drabble OBE  
Councillor Margaret Waddington  
Councillor Ian Ward  
Mrs Janet Smith  
Mr Edmund Wallis  
Mr Kirk Dawes QPM  
Mrs Marguerite Henson  
Mr Timothy Clarke  
Mr Charles Glanville  
Mrs Penelope Byatt

**SECRETARY**

Mrs Anna Williams ACA, DChA

Registered in England & Wales  
Company Number: 3320538

Registered Charity Number: 1061012

**REGISTERED OFFICE**

Thorp Street  
Birmingham  
B5 4AU

**BANKERS**

HSBC Bank plc  
130 New Street  
Birmingham  
B2 4JU

**SOLICITORS**

Pinsents Mason LLP  
3 Colmore Circus  
Birmingham  
B4 6BH

**AUDITORS**

Deloitte LLP  
Chartered Accountants & Registered Auditors  
Four Brindleyplace  
Birmingham  
B1 2HZ

# **BIRMINGHAM ROYAL BALLET**

## **(A Company Limited by Guarantee)**

### **DIRECTORS' REPORT (Continued)**

The Directors have pleasure in presenting their annual report and the audited financial statements for the period ended 31 March 2009.

#### **STATUS, OBJECTS AND POLICIES**

Birmingham Royal Ballet, a registered charity, is incorporated as a company limited by guarantee, not having a share capital.

The objects of the company are to advance the education of the public in the arts and sciences of ballet, dance, music and drama.

#### **GOVERNANCE STRUCTURE**

Birmingham Royal Ballet, as a company limited by guarantee, is governed by a board of non-executive directors (charitable trustees). In accordance with the Memorandum of Association the Directors are also the members of the company.

The Board of Directors are responsible for decisions covering the significant areas of Birmingham Royal Ballet's affairs including overall strategy, approval of budgets, approval of major capital expenditure projects, and development of key policies including general treasury and risk management policies. To enable the board to perform its duties all directors have full access to relevant information and to services of the Company Secretary and the Officers of the Company. If necessary, the Directors may take independent professional advice at the Company's expense.

In order to carry out their duties as effectively as possible the Board is assisted by two sub committees:

- The Executive Committee responsible for detailed review of planning documents, budgets and policies prior to recommendation for approval. In addition the Executive Committee fulfils the role of the Audit Committee and the Personnel/Remuneration Committee.
- The Nominations Committee responsible for the review and recommendation of candidates for appointment as Directors bearing in mind the particular needs of the board at the time as well as the future needs of the board (succession planning). In addition the Nominations Committee is responsible for ensuring the appropriate induction of new Directors. It is the responsibility of the Board of Directors as a whole to approve candidates for appointment. In addition, the Governors of the Royal Ballet have the right to nominate one of their members to be a member of the Board of Directors; Birmingham City Council have the right to nominate two representatives (usually Councillors) to be members of the Board of Directors. All such nominations are approved and appointed by the Board of Directors as a whole.

All new Directors receive a comprehensive information pack, a tour of the company and opportunities to meet with 'the Director', Chief Executive and other senior members of staff as necessary. All Directors have regular access to performances, education activities and other events so that they are familiar with the work of the company. An extended board session is held annually in the summer giving opportunities to discuss subjects such as artistic policy and planning, diversity and governance. In June 2008 this session covered public benefit reporting and ongoing developments at Birmingham Royal Ballet's Jerwood Centre for the Prevention and Treatment of Dance Injuries.

We were delighted to appoint Professor Michael Clarke as the new Chair of the Birmingham Royal Ballet board succeeding Tessa King-Farlow.

The day to day management of the affairs of Birmingham Royal Ballet is delegated to the Chief Executive, Christopher Barron, who is responsible for overall organisational management and the Director, David Bintley, who is responsible artistic strategy and for managing artistic activities.

# BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

## DIRECTORS' REPORT (Continued)

### DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

The Directors of the charitable company who are also trustees for the purpose of charity law, are referred to in this report as "Directors" or "the Board of Directors".

The names of the Directors, Officers and Professional Advisers are provided on page 1

### Organisation

The Board's membership includes those with appropriate professional experience of dance, education, arts administration, fundraising, general management and financial management.

### Directors' Interests in Related Bodies

Body	Director
Governors of the Royal Ballet	Ms Jane Drabble OBE Mrs Marguerite Henson
Governor of the Royal Ballet School	Mr Edmund Wallis
Governor of Elmhurst School for Dance	Mrs Janet Smith
Birmingham City Councillors	Councillor Margaret Waddington Councillor Ian Ward

### Reimbursements to Directors

Reimbursements of expenses were made to five Directors during the period, totalling £1,635 (2008 - £1,405).

### RISK MANAGEMENT

The Directors and senior staff have produced a comprehensive strategic plan setting out the major opportunities available to the charity and the risks to which it is exposed. The Directors review the plan on a regular basis and a comprehensive update of the plan is carried out annually. As part of this process, the Directors have implemented a risk management strategy, which comprises:

- an annual review of the risks which the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

The key strategic risks for 2008-09 identified by this process were as follows

- Changes in key artistic roles within the company including the restructuring of ballet staff following Desmond Kelly's retirement, the appointment of a new Music Director and the announcement that David Bintley will be working with New National Theatre in Japan firstly as artistic advisor and then as artistic director in addition to his work as Director of Birmingham Royal Ballet. Whilst each of these was significant in its own right the fact that all the changes coincided could have resulted in a period of some uncertainty whilst new roles and appointments were established.
- Lack of flexibility in the contracts of dancers and musicians that can limit our ability to take advantages of opportunities to increase performance numbers and access to the work of the company through broadcasts and new media opportunities.
- The impact of the challenging economic climate.

# **BIRMINGHAM ROYAL BALLET**

## **(A Company Limited by Guarantee)**

### **DIRECTORS' REPORT (Continued)**

The risk management process has been a vital tool in assisting the board and senior management in setting out the actions and controls necessary to help manage the major risks identified above thus ensuring successful outcomes in high risk areas of activity.

#### **PUBLIC BENEFIT**

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee-charging.

We believe that Birmingham Royal Ballet is the UK's most creative and exciting ballet company. We aim to inspire audiences with work that is entertaining, relevant, exciting and technically excellent. We are committed to inclusion and access as ballet, dance and music are art forms for everyone to experience, participate in and enjoy.

Creating new ballet is an essential part of ensuring that our art form remains vibrant and relevant. We are one of the few ballet companies in the world that not only creates new full length narrative ballets but regularly commissions new music for these works, adding richness to the cultural offer of the country. We also play an important role in preserving the classical and heritage repertoire, in particular those works associated with the English tradition of classical ballet, ensuring their continued existence for future generations to enjoy.

With the support of our major funders, Arts Council England and Birmingham City Council, we present world class performances of the widest possible range of repertory throughout the United Kingdom in both large scale and middle scale venues. We also tour internationally on a regular basis.

We work hard to ensure that cost does not prohibit access to our performances. Tickets for performances in the UK are priced across affordable ranges (between £10 and £45) which reflect the regional economies where we perform. We also offer a wide range of concessions and special offers on ticket prices. Schools can access performances for between £5 and £7.50. We are participating in the Arts Council's 'A Night Less Ordinary' Scheme (launched in February 2009), in Birmingham and Sunderland, making free tickets available to under 26 year olds. Birmingham Royal Ballet performs annually at Artsfest, Birmingham City Council's free arts festival and through projects such as Ballet on the Buses is exploring ways of taking ballet into the community and presenting it in new and unusual settings.

Our performances are supported by our groundbreaking education and community engagement work. We offer opportunities including free ballet training for talented individuals, repertory based programmes for schools and community groups, disability led work and continuing professional development for professional dancers and teachers. Many of our projects include free access to a Birmingham Royal Ballet performance and we continue to work towards the aim that every child in Birmingham will have an opportunity to experience ballet at some point of their school career.

In addition to our education and community engagement work we offer a number of free talks and activity days based around performances and we run membership schemes such as Birmingham Royal Ballet Friends and The Directors' Appeal that give members access to talks, rehearsals and other special events that help to give a greater insight into and understanding of the work of the company.

Above all we believe in the importance of taking the arts to everyone and will work hard, through ballet, dance and music, to break down those barriers perceived or real that exclude people from the pleasure of experiencing or engaging with the arts in their many and varied forms.

## **DIRECTORS' REPORT (Continued)**

### **OBJECTIVES AND ACTIVITIES**

Birmingham Royal Ballet seeks to be the UK's foremost international ballet company, enriching people's lives through dance, and aspiring to excellence in all that it does.

The main objectives for 2008-09 were as follows

#### **Creativity and Performances –**

- Increase the repertoire available to the company by creating a new production of *Le Baiser de la Fée* and a reworking David Bintley's production of *Sylvia*.
- To maintain a successful and wide reaching touring circuit including performances at a new venue (Kings Lynn) on the midscale tour and cross border touring to Edinburgh and Cardiff.
- Explore new opportunities for presenting ballet in different or unusual settings such as Artsfest and Ballet on the Buses.

#### **Birmingham Royal Ballet as a cultural ambassador**

- Undertaking a tour to China in January 2009.
- Helping Birmingham build an international reputation for its Dance Festival.
- Promoting the company's creativity and influence within the international dance sector.

#### **Birmingham Royal Ballet's corporate identity and the Birmingham Royal Ballet Brand**

- Adopting the company's full name so that we are known as Birmingham Royal Ballet not BRB.
- Reviewing communications resources and technology in particular through developing our website as a communication and access tool.
- Working with new photographers and using informal photography (taken by company members) to show what life in a performing company is like.
- Encouraging dancers / members of the company to create an on-tour diary which could be used on the website.

#### **The Relationship with our Audience**

- Exploiting the investment in 'Purple Seven' box office analysis software to better understand our existing and potential audience.
- Programming Sunday performances for *Beauty and the Beast* and *Nutcracker* to encourage family attendances.
- Increase attendance from 25-30 year olds living in the city centre through targeted promotions and invitations.

#### **Community Engagement and Cultural Diversity**

- Deepen and broaden the range of partnerships with community organisations and initiatives, particularly culturally diverse and disability led organisations. This includes supporting Birmingham City Council's Arts Champions Scheme through our work in the Selly Oak Constituency and continuing our work with Freefall Dance Company.
- Develop Dance Track as a mechanism for eventually diversifying the company's professional dancers by 2020 by extending the scheme to schools in North Birmingham.

#### **Organisational Development**

- Obtaining recognition under the new Investors in People Standard by December 2008.
- Appointing a new Chair of Birmingham Royal Ballet board to succeed Tessa King- Farlow.
- Implement a Management Development Programme for the Senior Management Team.
- Working with Dance UK, Laban, British Olympic Association and Wolverhampton University towards the development of a National Institute of Dance Medicine.

# BIRMINGHAM ROYAL BALLET

## (A Company Limited by Guarantee)

### DIRECTORS' REPORT (Continued)

#### Financial Stability

- Maintaining general reserves at least £250,000 in accordance with our stated reserves policy.
- Generating a net contribution of at least £500,000 per annum from fundraising activity to support core activity.
- Developing a major donor programme to fund Birmingham Royal Ballet's transformational agenda for the future.

The Board seeks to realise its objectives by following an artistic policy of performing traditional full-length classics, the 'heritage' repertory of the 20th century and commissioning new works. Birmingham Royal Ballet performs at its home base in Birmingham and throughout the UK as well as undertaking international touring. The company seeks the highest standards of performance and presentation supported by appropriate management structures, exemplary healthcare and effective press, public relations and marketing. Birmingham Royal Ballet delivers a wide-ranging education and community programme offering life long learning opportunities to the widest range of communities because we believe that ballet has the ability to enhance and enrich peoples' lives. This policy is based on a belief that a varied repertory and programme of events will reach a varied audience, thereby making ballet accessible to all.

In implementing this policy, Birmingham Royal Ballet will meet the demands of the Funding Agreements with the Arts Council, England and Birmingham City Council.

#### PRODUCTIONS AND PERFORMANCES

From a performance perspective the 2008-09 financial year has been one of the busiest and most technically challenging in recent history. We performed works ranging from traditional classics: *Swan Lake*, *Giselle*, *The Nutcracker*; Heritage repertory: including *Dante Sonata*, *Card Game*, *Concerto* and *Enigma Variations*; through to modern works including *Still Life at the Penguin Café*, and a world premiere of a new production of *Le Baiser de la Fée*, thus ensuring that Birmingham Royal Ballet continues to perform the widest range of ballet repertory to audiences throughout the UK.

The complete repertory performed during the year was

Ballet	Choreography	Music
Swan Lake	Petipa/Ivanov/Wright	Tchaikovsky
Dante Sonata	Ashton	Messenger/Liszt
Small Worlds	Holder	Stravinsky
Elite Syncopations	MacMillan	Joplin and others
Concerto Barocco	Balanchine	Bach
Twilight	Van Manen	Cage
Take Five	Bintley	Brubeck
Giselle	Samsova/Bintley	Adam/Horovitz
Petrushka	Fokine	Stravinsky
Le Baiser de la Fée	Corder	Stravinsky
Card Game	Cranko	Stravinsky
Concerto	Balanchine	Shostakovich
The Firebird	Fokine	Stravinsky
Raymonda Act III	Nureyev	Glazunov
Beauty and the Beast	Bintley	Buhr

# BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

## DIRECTORS' REPORT (Continued)

The Nutcracker	Wright, Ivanov, Redmon	Tchaikovsky
Romeo and Juliet	MacMillan	Prokofiev
Sylvia	Bintley	Delibes
Serenade	Balanchine	Tchaikovsky
Enigma Variations	Ashton	Elgar
'Still Life' at the Penguin Café	Bintley	Jeffes

The company gave

- 140 performances in the UK - 57 in Birmingham and 83 on tour (2007-08: 130 performances).
- 12 performances in China (2007-08: 4 performances in USA; 9 performances in Japan).
- Audiences of approximately 143,000 (76,400 in Birmingham, 66,600 on tour) (2007-08: 127,500).
- Estimated audience of 23,000 in China (2007-08: 24,000).

Full repertory by venue as follows

Salford	April 2008	Swan Lake
Kings Lynn Durham York	May 2008	Concerto Barocco Twilight Take Five
Cheltenham Poole Exeter Truro	May 2008	Dante Sonata Small Worlds Elite Syncopations
Birmingham Salford	June 2008	Giselle Gala For Desmond Kelly Petrouchka/Le Baiser de la Fée/Card Game
Birmingham	October 2008	Concerto/Firebird/Raymonda Act III Beauty and the Beast
Plymouth Cardiff London Edinburgh Sunderland	October and November 2008	Beauty and the Beast Petruska/Le Baiser de la Fée/The Firebird
Birmingham	December 2008	The Nutcracker
China – Guanzhou, Beijing, Shanghai	January 2009	Romeo and Juliet Beauty and the Beast
Birmingham Sunderland Plymouth	February and March 2009	Sylvia Serenade/Enigma Variations/'Still Life' at the Penguin Café

## **DIRECTORS' REPORT (Continued)**

### **April 2008 Swan Lake (Salford)**

'The most satisfying British production of *Swan Lake*' – The Times

Performances of this ever popular classic finished our Winter/Spring tour at the Lowry, Salford. Secretary of State for Culture Andy Burnham attended a performance on 5 April 2008.

### **Midscale tour May 2008**

This was our most successful mid scale tour to date, exceeding box office target, and selling to capacity in Durham, Poole and Exeter. Repertory performed ranged from 20<sup>th</sup> century heritage works by Ashton, Balanchine, Van Manen and MacMillan to contemporary work by Bintley and Birmingham Royal Ballet dancer Kit Holder. Kings Lynn was included for the first time as a new venue on our mid-scale touring circuit.

### **Summer 2008 (Birmingham and Salford)**

Our summer programme commenced in Birmingham with David Bintley and Galina Samsova's beautiful production of the romantic classic *Giselle*.

On 28 June 2008 we held a Gala to Celebrate the Career of Desmond Kelly (Birmingham Royal Ballet's Assistant Director) who retired in July 2008 after 38 years with the company. This memorable and moving evening of dance reprised many of the roles associated with Desmond during his long and distinguished dancing and teaching career. Performances featured guest dancers from the Royal Ballet, Stuttgart Ballet, San Francisco Ballet alongside Birmingham Royal Ballet dancers and also included a presentation and performance by young people who had worked with and been inspired by Desmond during the Ballet Hoo! Project. Desmond is now Director of Elmhurst School for Dance (Birmingham Royal Ballet's associate school) enabling his knowledge and experience to be passed on to a new generation of aspiring ballet dancers.

The second week of the Birmingham season was the final part of Birmingham Royal Ballet's celebration of the works of Igor Stravinsky including Fokine's *Petrushka* and Cranko's *Card Game* from Birmingham Royal Ballet's heritage repertory and a new production of *Le Baiser de la Fée* with choreography by Michael Corder, designs by John Macfarlane and lighting by Paule Constable. This programme was both visually spectacular and musically outstanding.

At the end of the summer season we also said farewell to Barry Wordsworth our Music Director since 1990. Barry was not only one of the best known ballet orchestra conductors in the world but a great champion and of live music for ballet. The outstanding quality of performances by our orchestra, The Royal Ballet Sinfonia, is a testament to Barry's leadership.

### **Autumn 2008 (Birmingham, Plymouth, Cardiff, London, Edinburgh and Sunderland)**

Our autumn performing season was introduced with our regular performance at Artsfest, Birmingham City Council's free celebration of arts in the city. We performed extracts from the *The Nutcracker* and *The Dream* on the outdoor stage in Birmingham's Centenary Square accompanied by The City of Birmingham Symphony Orchestra.

Our autumn season of performances at Birmingham Hippodrome opened with the 'Russian Steps' programme of ballets to scores by the Russian composers Shostakovich, Stravinsky and Glazunov. As part of our audience development work we extended invitations to people in areas of Birmingham identified as cultural 'cold spots' to come and see a ballet for free. In just over three days all 2,000 available tickets were taken.

The Russian Steps programme was followed by David Bintley spectacular production of *Beauty and the Beast*.

We embarked on our autumn tour in October touring the length and breadth of the UK: Plymouth, Cardiff, London, Edinburgh and Sunderland. The tour included *Beauty and the Beast* which was performed at all tour venues and a Stravinsky programme comprising *Petrushka*, *Le Baiser de la Fée* and *The Firebird*, performed in Cardiff, London and Edinburgh. Our performances in Cardiff and Edinburgh were supported by a cross border touring grant from Arts Council England.

### **December 2008 (Birmingham)**

Our Christmas performances of *The Nutcracker* at Birmingham Hippodrome proved as popular as ever. Our spectacular production (first performed in 1990) never fails to delight and thrill audiences of all ages and is for many their first introduction to ballet through one of the many school trips that come to see this show. There were two Sunday performances of *The Nutcracker* to increase the number of matinee performances available at weekends. This continues to be popular with families.

*The Nutcracker* season also saw the unveiling of our new portable sprung floor which was used for the first time during these performances. The floor was designed in consultation with our healthcare team, our technical department and Loughborough University. It needed to be strong enough to hold heavy sets such as *The Nutcracker* whilst being sprung enough to absorb shock and thereby reduce the risk of impact injury to dancers.

# **BIRMINGHAM ROYAL BALLET**

## **(A Company Limited by Guarantee)**

### **DIRECTORS' REPORT (Continued)**

The floor has been well received by the dancers and is now in use for all Birmingham seasons and the practicality of using it on tour is being reviewed.

#### **China Tour January 2009**

On 2 January 2009 the company embarked on its first tour of China. This tour was a massive undertaking touring up to 180 company members and visiting three major cities: Guangzhou, Beijing and Shanghai. We were the first major UK ballet company to take our own orchestra who joined us for the tour in Beijing and Shanghai. The orchestra gave two concerts in their own right in Beijing and Shanghai.

Performances were as follows

- Guangzhou, Baiyun International Convention Centre – two performances of *Romeo and Juliet*
- Beijing, National Centre for the Performing Arts – three performances of *Beauty and the Beast*, two performances of *Romeo and Juliet* and one orchestral concert
- Shanghai Grand Theatre – one performance of *Beauty and the Beast* and two performances *Romeo and Juliet*
- Shanghai Concert Hall – one orchestral concert

We have been invited to return to Beijing in 2012.

Our Department for Learning were keen to develop relationships in China and, supported by The British Council and the Sino British Fellowship Trust, they were able to accompany the tour. Our work in China focussed on individuals who would not ordinarily be given such an opportunity because of their background or perceived disability. In Guangzhou we worked with Kapok Theatre Company and Guangdong Modern Dance Company to develop a programme for disabled adults and their carers to create a performance based on *Romeo and Juliet*. In Beijing we worked with Hua Dan Theatre Company and the National Centre for the Performing Arts to deliver workshops for children from marginalised migrant worker families in Beijing. Our work also included training for the teaching artists and we are delighted that both groups are planning similar work for the future.

#### **Winter/Spring 2008 (Birmingham, Sunderland, Plymouth)**

On returning to the UK we opened our Winter/Spring performances at the Birmingham Hippodrome with the world premiere of a revised production of David Bintley's *Sylvia* (originally premiered in 1993). The reworking included a new first and final scene set to introduce the main story by placing it in a more modern context to make the main characters more sympathetic and relevant to the audience. The resulting production was a most entertaining romantic comedy set to one of the most beautiful of ballet scores and a fine addition to our repertory.

*Sylvia* was followed by the Pomp and Circumstances programme with three acclaimed works: Balanchine's beautiful *Serenade*, and Ashton's masterpiece *Enigma Variations* and Bintley's ever popular '*Still Life*' at the *Penguin Café*. This mixed programme proved exceptionally popular with audiences and was critically acclaimed for the both the programming and performances.

#### **Orchestral Work**

Birmingham Royal Ballet's orchestra, the Royal Ballet Sinfonia, remains the UK's only specialist ballet orchestra.

In addition to Birmingham Royal Ballet performances we gave 42 other performances including

- Our ever popular annual Music and Dance Concert in April 2008 at Symphony Hall, Birmingham
- The National Opera Studio annual showcase performances at the Hackney Empire in May 2008
- The Royal Ballet for *The Dream* and *Romeo and Juliet* (May 2008) and *Cinderella* (December 2008 and January 2009)
- Christopher Wheeldon's *Metamorphoses* company at Sadlers Wells (September 2008)

The Sinfonia also undertook 6 recording sessions including a recording of Carl Davis's score for Birmingham Royal Ballet's production of *Cyrano*.

## **DIRECTORS' REPORT (Continued)**

### **Department for Learning**

We continue to offer a wide range of opportunities for people of all ages and backgrounds to engage with and learn about Birmingham Royal Ballet. During the year the Department for Learning ran 493 sessions and worked with 7,901 participants.

Highlights for the year include

- The *Petrushka* project which linked a member of the orchestra with a dance artist to provide creative music and dance opportunities for primary school children in Salford.
- Two interpretation projects inspired by *Beauty and the Beast* and '*Still Life*' at the *Penguin Café* were held in Birmingham and at touring venues.
- The Penguin Sandwich project providing CPD opportunities for teachers in four performing arts colleges in Birmingham.
- Arts Award Welcome activities which have enabled the department to support young people that are excluded from school to achieve their Arts Awards.
- Continuing our association with Queensbridge School, Birmingham by supporting students working towards Creative and Media Diplomas. Birmingham Royal Ballet helped students to create DVDs and a short presentation based on the theme of 'Proud to be in Birmingham' that were judged by a 'Dragon's Den' style panel on 20 November 2008. Some of the work produced by the young people was used on Birmingham Royal Ballet's website.
- Four students from Birmingham Conservatoire have participated in a two year Pianist for Dance training scheme. The students have all been employed to play for dance in local ballet schools, at Elmhurst and for learning projects. The course is now under review and will hopefully be redeveloped as a post graduate course in the future.
- 'Studio to Stage' Insight days which have been held throughout the year covering themes such as creating a character, ballet training, stage craft and repertoire. These give ballet students a unique opportunity to work with Birmingham Royal Ballet dancers and staff.

Our longer term commitments to disability and access to ballet training continue through

- Freefall Dance Company, a company of young adults with severe learning difficulties, continued to deliver outreach work in mainstream and special schools in Birmingham and will perform at the Inaugural Youth Sports Trust Conference July 09.
- The Dance Track programme remains well established in South Birmingham (based at Queensbridge School) and is now working with 15 schools in the north of Birmingham, many of which are majority Asian schools. Relationships with these schools and HolteVisual and Performing Arts College strengthen our understanding of those communities enabling the development of projects that are relevant and accessible.

We have also embarked on a major project in partnership with Birmingham City Council Youth Services & Birmingham Association of Youth Clubs working towards a main stage production in December 2010 as part of our celebration of our 20 years in Birmingham. This project provides genuine opportunities to motivate young people to create, plan, manage and participate in their own major dance project that will be inspired by and run in parallel with Birmingham Royal Ballet's own work towards a major new production. The project will build on the strengths of its partners to give young people unprecedented access to the people, resources and expertise of an internationally renowned dance company as well as the support, mentoring and expertise of the youth service organisations to engage and empower young people.

### **Organisational Development**

We have continued to invest in our organisational infrastructure to ensure that we have the necessary knowledge and skills to meet future challenges as well supporting the health and wellbeing of our staff. Achievements during the year include:

- Our HR Director trained and qualified for the National Examination Board of Safety and Health (NEBOSH) Certificate in May 2008 as part of the ongoing development of our health and safety practices.

# BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

## DIRECTORS' REPORT (Continued)

- New terms and conditions for temporary technical staff were introduced in September 2008.
- We were successfully reassessed under the new Investors in People standard in September 2008.
- The senior management team received management development training looking at change management and scenario planning.
- We worked with the Theatrical Management Association and Migration Advisory Committee to get 'classical ballet dancer' recognised as a shortage occupation.
- We gained 'A' rated sponsor status from UK Border Agency under the new rules for issuing sponsorship certificates for non EU workers.
- Our Child Protection Policy has been updated and will now be known as a Safeguarding Policy broadening the remit of the policy to include the care and well being of young people. This policy has been submitted to the NSPCC for feedback as part of their commitment scheme.

## FINANCIAL REVIEW

The results for the period are set out in the financial statements on pages 28 & 29. The period ended with a deficit on activities of £251,449 giving us accumulated reserves of £1,001,265 at 31 March 2009. We had anticipated that certain activities such as overseas touring in 2008/09 would be funded from reserves and Birmingham Royal Ballet still remains in a strong financial position which will enable us to work to achieving the aims of the 2008-11 Business Plan, as well as offering us a level of financial stability during these uncertain economic times.

In 2008-09 box office income remained strong generating £2,164,608 (2007-08: £1,974,509) and exceeding budget by £75,000. Sales in Birmingham and on the midscale tour were particularly strong.

Income from donations, membership schemes and other fundraising activity during the year remained solid at £551,235 (2007-08: £571,872). We continued our relationship with Mitchells and Butlers plc through their support of £25,000 for performances of *The Nutcracker*.

Income from Trusts and Foundations was £142,440 (2007-08: £188,474 including £70,000 restricted capital funding) with support as follows

	£
The John Ellerman Foundation	20,000
The Sino-British Fellowship Trust	12,270
The Beatrice AV Cadman Charitable Trust	10,000
Garfield Weston Foundation	10,000
Pfizer UK Foundation	7,200
The Rowlands Trust	5,730
GJW Turner Trust	5,000
The Connie & Albert Taylor Charitable Trust	5,000
Premier League Creating Chances Places for Players	4,000
Charles Henry Foyle Trust	3,000
The Alison Hillman Charitable Trust	3,000
The D'Oyly Carte Charitable Trust	3,000
The Radcliffe Trust	3,000
The 29th May 1961 Charitable Trust	3,000
RTR Foundation/Baily Thomas Charitable Fund	3,000
The Ironmongers Company	2,800
ShareGift	2,500
Grantham Yorke Trust	2,250
The Saintbury Trust	2,000

**BIRMINGHAM ROYAL BALLET**  
**(A Company Limited by Guarantee)**

**DIRECTORS' REPORT (Continued)**

Baron Davenport's Charity	2,000
Lord Austin Trust	2,000
The Roughley Charitable Trust	2,000
The Douglas Turner Trust	2,000
Margaret Guido Charitable Trust	2,000
The David Solomons Charitable Trust	2,000
The John Féeney Charitable Trust	1,500
W.F. Southall Trust	1,500
The Calleva Foundation	1,000
The Souter Chraitable Trust	1,000
The George Fentham Birmingham Charity	1,000
Bryant Trust	1,000
Austin and Hope Pikington Trust	1,000
Millichope Foundation	1,000
Eleanor Barton Trust	1,000
The John Avins Trust	1,000
The Calleva Foundation	1,000
The Grimmitt Trust	1,000
S&D Lloyd Charitable Trust	750
The Coutts Charitable Trust	750
The Drapers' Company	740
The David Laing Foundation	700
William A Cadbury Charitable Trust	700
The Measures Trust	500
The W.E.D Charitable Trust	500
The Gibbs Charitable Trust	500
Henry James Sayer Charity	500
Wilmcote Charitrust	500
The Sweet Pea Charitable Trust	500
Charlotte Marshall Charitable Trust	500
Douglas Heath Eves Charitable Trust	500
Anonymous	500
E H Smith Charitable trust	350
Warwickshire Masonic Charitable Association	350
The M K Rose Charitable Trust	300
Yorkshire & Clydesdale Bank Foundation	300
Mr & Mrs JA Pye's Charitable Settlement	250
The George Henry Collins Charity	250
The Chatwin Trust	250
The Harry Payne Trust	250
The M K Rose Charitable Trust	200

## **DIRECTORS' REPORT (Continued)**

Yorkshire Building Society Charitable Foundation

50

Ensuring that our resources are well used in the furtherance of our charitable objects remains a priority and as ever we endeavour at all times to ensure that good cost control has been exercised throughout all areas of Birmingham Royal Ballet's activity.

Expenditure on charitable activities in the year was £12,985,011 remaining consistent with 2007-08 at 97% of total resources expended (2007-08: £11,806,803 – 97%). The majority of the increase in costs during the year relate largely to increased expenditure on performances and productions. This reflects the following:

- The increase in performances and touring weeks during the year as compared to 2007-08.
- The increase in investment in productions in 2008-09 with the new production of *Le Baiser de la Fée* and reworking of *Sylvia*. In total expenditure on new productions and revivals in the year was £709,546 (2007-08: £428,771).
- The investment in the tour to China.
- Achieving full employment levels for the dancers and orchestra for the first time in about ten years. Whilst this increases our fixed cost base it has been a priority for Birmingham Royal Ballet to achieve full employment amongst our performing staff as the best way of consistently delivering world class standards of performance, nationally and internationally, as activity increases.

Our primary financial management policies are:

- Budget setting and control – the Senior Management Team are responsible for proposing their own departmental budgets based on the planned activity for the year. These departmental budgets are combined to build a master budget for Birmingham Royal Ballet as a whole. The Finance Director and Chief Executive are responsible for proposing a final balanced budget for approval by the Board of Directors. Senior managers are authorised to commit expenditure in accordance with their approved budgets. All expenditure is reviewed and approved for payment by the Finance Director or Chief Executive.
- Financial reporting and review – all budget holders receive a monthly report detailing their expenditure to date against budget. A company finance report and forecast to the year end is presented at each Board and Executive Committee meeting. All senior managers receive a copy of this finance report in addition to their individual budget reports. Where significant variances against budget are identified compensating actions are identified and agreed by the senior management team. This will usually involve identifying cost savings as performing activity for the year is fixed at least a year in advance and our major sources of income are also fixed. The major financial risk that faces the organisation is a shortfall in earned income sources such as box office income and fundraising income. Both these income sources can be highly variable and are subject to a number of influences that are outside the direct control of Birmingham Royal Ballet. As a result the key to financial stability is careful cost control in conjunction with identifying and developing new income streams.

As in previous years our principal funding sources are:

- Arts Council England – £7,777,162 revenue funding to contribute towards Birmingham Royal Ballet's core operating costs and the costs of delivering our performances and activities including touring nationally, audience development activity, a broad education and outreach programme, choreographic opportunities for company members and the operation of the Jerwood Centre. In addition we received £336,272 from Arts Council England to fund cross border touring to Cardiff and Edinburgh.
- Birmingham City Council – £1,091,604 revenue funding to contribute towards Birmingham Royal Ballet's core operating costs and the costs of delivering performances and activities primarily in Birmingham. Birmingham City Council also supported the China Tour with a grant of £150,000.

# BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

## DIRECTORS' REPORT (Continued)

Revenue funding from our major funders, Arts Council England and Birmingham City Council, accounted for 68% (2008-08 68%) of total income. Arts Council England and Birmingham City Council have confirmed their commitment to fund Birmingham Royal Ballet to 31 March 2011.

Other sources of funding are as follows:

- Earned income – from charitable activities including revenue generated from performing activity, production hires and sales, fees for orchestral activities and revenue from education activity. Income from these sources was 24% of total income (2007-08 28%).
- Fundraising activities and membership schemes.

### Reserves Policy

The directors will seek to create adequate reserves to ensure that the company would be able to meet the costs associated with the winding up of the company should this need arise. The most likely scenario for the winding up of the company would be the withdrawal of significant funding from the company. Therefore, the directors seek to hold reserves equivalent to the costs of maintaining the leased premises for a period of six months plus the administrative costs of the final winding up of Birmingham Royal Ballet. We believe that reserves of £250,000 would be adequate to cover such an eventuality. General reserves presently stand at £252,133 in accordance with this policy.

From time to time designated or restricted funds may be set aside for specific projects as agreed by the Board of Directors.

At present designated reserves include:

- **Capital Grants Fund** – being income designated for the acquisition of fixed assets.
- **Community Fund** – represents funds received from the sale of investments by Birmingham Royal Ballet Trust prior to the winding up of the Trust on 31 March 2005. These funds were originally designated for use to support educational activities particularly in association with dance and choreographic training. However, their use has been widened and redesignated to support further development of our community engagement activity in accordance with our 2008-2011 Business Plan.
- **New Production Fund** - to support investment in major new productions that will increase the repertory available for performances.
- **UK Touring Fund** – being funds to support the development of our UK touring circuit
- **Overseas Touring Development Fund** – funds set aside to develop overseas touring

The reserves policy was reviewed in June 2008 following the confirmation of Arts Council funding through to 2011.

### Investment Policy

Birmingham Royal Ballet does not hold any investment funds other than monetary funds. Any surplus funds, over and above those needed for any immediate purpose will be held on money market deposit or in an interest earning deposit account. No funds are held on deposit for notice periods exceeding 1 month.

### Taxation

The company is a charity for tax purposes and is entitled to claim charitable tax exemptions. The company has no liability to tax on its charitable activities.

## **DIRECTORS' REPORT (Continued)**

### **PLANS FOR FUTURE PERIODS**

The following core objectives have been identified in our 2008-11 Business Plan which sets out an ambitious transformational agenda for Birmingham Royal Ballet over the next three years.

The following core objectives, identified in our 2008-11 Business Plan will be achieved in the period 2009 – 2011 as follows:

#### **Creativity and Performances**

- Increase the repertoire available to the company by creating two new one act ballets in 2009 and a new full length ballet in 2010.
- To maintain a successful and wide reaching touring circuit.
- Explore new opportunities for presenting ballet in different or unusual settings.

#### **Birmingham Royal Ballet as a cultural ambassador**

- Undertaking at least two international tours in the period 2009-2011 including Norfolk Virginia in April 2010 and Japan in 2011.

**Birmingham Royal Ballet's corporate identity and the Birmingham Royal Ballet Brand** – Birmingham Royal Ballet is working to enhance its positioning and presentation in order to build the reputation of the company with funders, employees, audiences and the community by

- Creating a stronger sense of presence of the company in its home base - Birmingham Hippodrome.
- Reviewing communications resources and technology to make the most effective use of resources.
- Exploring new ways to promote the company on tour and to tailor marketing to local venue needs.
- Identifying company personalities (not stars) to demonstrate the personality and diversity of the company.
- Focussing on the musical excellence of the orchestra and the technical skills required to mount a classical ballet production.
- Highlighting awards and accreditations.
- Opening up the backstage / production areas for tours.

**The Relationship with our Audience** – Birmingham Royal Ballet wants to create a market place for its work amongst as wide and varied audience as possible to demonstrate that ballet is an art form for all and create a sustainable future audience

- Review performance patterns to help ensure performances are programmed to maximise attendance such as Sunday performances for family shows.
- Increase attendance from 25-30 year olds living in the city centre.
- Increase familiarity with and ownership of the company, artists and repertoire within identified communities through word of mouth promotion, community ambassadors and community networking.
- Work with key venues to promote familiarity and overcome perceptual barriers.

**Community Engagement and Cultural Diversity** – Birmingham Royal Ballet wants to reflect the changing population of our city and country

- Ensure that all company policies, procedures and practices are in line with current legal requirements on diversity and are models of good practice.
- Deepen and broaden the range of partnerships with community organisations and initiatives, particularly culturally diverse and disability led organisations and to develop mechanisms to ensure that diverse partner organisations and our communities are able to contribute to our planning processes.
- Ensure diversity is reflected in audience development, marketing and participation in education projects.
- Develop Dance Track as a mechanism for eventually diversifying the company's professional dancers by 2020.

#### **Organisational Development** –

- Renegotiating contracts where necessary to better reflect modern working practices in particular in association with the use of new media.

## **DIRECTORS' REPORT (Continued)**

- Ensuring that board membership, practice and procedures properly reflect Birmingham Royal Ballet's aspirations and best practice as well as meeting legislative and reporting requirements.
- Ensuring that Birmingham Royal Ballet's charitable objects and constitution remain appropriately drawn and fulfil the requirements of the new Charities Bill.
- Working towards the development of a National Institute of Dance Medicine.

### **FINANCIAL STABILITY –**

- Maintaining general reserves at least £250,000 in accordance with our stated reserves policy.
- Continuing development of our fundraising strategy.

In order to meet Arts Council national objectives we have agreed that our planned programme 2009-2011 will deliver the following outcomes:

### **Excellence**

- Appoint a new Music Director by September 2010.
- Work with partner organisations towards the development of National Institute of Dance Medicine.

### **Reach**

- Increase Birmingham Royal Ballets presence in London by performing at 'Spring Dance' at the London Coliseum – April 2009.
- Improve the flexibility of performers' contracts to respond to new media opportunities by negotiating a revised media agreement by December 2010.

### **Diversity**

- Continue to profile Birmingham Royal Ballet with BME and Asian communities by inviting high profile community members, media representatives and community groups to performances and events.
- Continue to develop our relationships with The Vine Magazine and BBC Asian network.
- Work with young people and adults with learning and behavioural difficulties through Freefall Dance Company including
  - Performance and outreach project – April 09
  - Performances at conferences – June and July 09.

### **Engagement**

- Launch the initial phase of the Birmingham Royal Ballet/Birmingham City Youth Services project in 2009-10 due to culminate in 2010-11.
- Complete expansion of Dance Track in North Birmingham by working with a further 10 schools by September 2009.
- Develop on-line blog for Arts Awards students.
- Continue to develop relationship with new audience who attended our 'Proud to be in Birmingham' performance in October 2008.
- Increase opportunities for families to attend performances through Sunday performances including *The Nutcracker* December 2009 and *Sleeping Beauty* February 2010.
- Support Queensbridge School's Creative and Media Diploma and work experience programme.

### **Innovation**

- Continue the development of choreographic skills of Birmingham Royal Ballet dancers.
- Creation of two new one act ballets
  - Garry Stewart – May 2009
  - David Bintley – Sept 2009.
- Creation of a new full length production – November 2010.

## **DIRECTORS' REPORT (Continued)**

### **Auditors**

In the case of each of the persons who are directors of the company at the date when this report is approved:

- So far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- Each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information

The confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board of Directors

Jane Drabble

Trustee

12 October 2009

# **BIRMINGHAM ROYAL BALLET**

## **(A Company Limited by Guarantee)**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with appropriate law and United Kingdom Accounting Practices (United Kingdom Generally Accepted Accounting Practices)

United Kingdom company law and charity law requires the directors of a charity to prepare financial statements each year which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985, the Charities Act 1993 and the Charities (Accounts and Reports) Regulations 2005. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)**

We have audited the financial statements of Birmingham Royal Ballet (A Company Limited by Guarantee) for the period ended 31 March 2009 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The responsibilities of the directors for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report as described in the contents section. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee) (Continued)**

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

**Deloitte LLP**

**Chartered Accountants and Registered Auditors  
Birmingham, UK  
14 October 2009**

**BIRMINGHAM ROYAL BALLET**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**Period ended 31 March 2009**

	Note	Un- restricted General £	Funds Restricted £	2009 Total funds £	2008 Total funds £
<b>Incoming resources:</b>					
<b><i>Incoming resources from generated funds:</i></b>					
<i>Voluntary income:</i>					
Grants and donations	3	9,673,466	0	9,673,466	9,117,436
<i>Activities for generating funds:</i>					
Memberships and other funds	4	187,601	0	187,601	164,536
<i>Investment income:</i>					
Bank interest receivable		32,622	0	32,622	29,757
		<u>9,893,689</u>	<u>0</u>	<u>9,893,689</u>	<u>9,311,729</u>
<b><i>Incoming resources from charitable activities:</i></b>					
Performance and related activities	5	3,254,308	0	3,254,308	3,566,516
<b>Total incoming resources</b>		<u>13,147,997</u>	<u>0</u>	<u>13,147,997</u>	<u>12,878,245</u>
<b>Resources expended:</b>	6				
<b><i>Costs of generating funds:</i></b>					
Costs of generating voluntary income		163,919	0	163,919	160,321
Costs of generating memberships and other funds		166,908	0	166,908	106,249
<b><i>Charitable activities:</i></b>					
Production and performance		11,974,571	12,074	11,986,645	10,676,747
Orchestral projects		743,954	0	743,954	870,380
Education projects		254,412	0	254,412	259,676
<b>Governance costs</b>		<u>83,606</u>	<u>0</u>	<u>83,606</u>	<u>91,086</u>
<b>Total resources expended</b>		<u>13,387,370</u>	<u>12,074</u>	<u>13,399,444</u>	<u>12,164,459</u>
<b>Net (outgoing)/incoming resources for the period</b>	8	(239,373)	(12,074)	(251,447)	713,786
<b>Opening funds</b>		<u>1,182,712</u>	<u>70,000</u>	<u>1,252,712</u>	<u>538,926</u>
<b>Closing funds</b>		<u><u>943,339</u></u>	<u><u>57,926</u></u>	<u><u>1,001,265</u></u>	<u><u>1,252,712</u></u>

All the above results are derived from continuing activities.

All gains and losses recognised in the period are included above. The surplus for the period for Companies Act purposes comprises the net deficit for the period of £251,447 (2008: £713,786 surplus).

**BIRMINGHAM ROYAL BALLET**  
**(A Company Limited by Guarantee)**

**BALANCE SHEET**  
**31 March 2009**

	Note	31 March 2009	31 March 2008
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	9	454,108	426,756
<b>CURRENT ASSETS</b>			
Stocks	10	81,608	66,437
Debtors	11	1,004,989	508,094
Cash at bank and in hand		1,647,817	1,092,649
		<u>2,734,414</u>	<u>1,667,180</u>
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(2,187,257)</u>	<u>(841,224)</u>
<b>NET CURRENT ASSETS</b>		<u>547,157</u>	<u>825,956</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>1,001,265</u></u>	<u><u>1,252,712</u></u>
<b>FUNDS</b>			
Unrestricted funds:			
Restricted		57,926	70,000
Designated	13	691,206	902,763
General		252,133	279,949
		<u>1,001,265</u>	<u>1,252,712</u>

These financial statements were approved by the Board of Directors on 12 October 2009.

Signed on behalf of the Board of Directors

Jane Drabble

Trustee

**BIRMINGHAM ROYAL BALLET**  
**(A Company Limited by Guarantee)**

**CASH FLOW STATEMENT**  
**Period ended 31 March 2009**

	<b>Note</b>	<b>2009</b> <b>£</b>	<b>2008</b> <b>£</b>
Net cash inflow from operating activities	15	706,075	1,040,267
Returns on investments	16	32,622	29,757
Capital expenditure and financial investment	16	(183,529)	(183,252)
		<hr/>	<hr/>
Increase /(decrease) in cash in the period		<u>555,168</u>	<u>886,772</u>
 <b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash in the period		555,168	886,772
		<hr/>	<hr/>
Change in net funds resulting from cash flows		555,168	886,772
Net funds at 1 April 2008		<u>1,092,649</u>	<u>205,877</u>
Net funds at 31 March 2009		<u>1,647,817</u>	<u>1,092,649</u>

**NOTES TO THE ACCOUNTS**  
**Period ended 31 March 2009**

**1. ACCOUNTING POLICIES**

The principal accounting policies, which have been applied consistently with the previous year, are as follows:

**Basis of preparation**

The financial statements are prepared under the historical cost convention. The financial statements have been prepared in accordance with, the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005, applicable United Kingdom Accounting Standards and the Companies Act 1985.

The financial statements are prepared on a going concern basis as Arts Council England and Birmingham City Council have confirmed their commitment to fund Birmingham Royal Ballet to 31 March 2011.

**Incoming resources**

*Deferred income*

Amounts invoiced in advance and other incoming resources, which are subject to contractual restrictions imposed by the donor relating to the charity's entitlement to the funds, are carried forward as deferred income in the balance sheet. Amounts are recognised as income when the services are performed or the restrictions imposed by the donor are satisfied.

*Grants receivable*

Capital grants receivable are recognised in the year of receipt. Revenue grants receivable are recognised in the year to which the grants relate. Revenue grants received in advance of the year to which they relate are carried forward as a creditor in the balance sheet.

Capital funds comprise grants/donations towards the cost of fixed assets to be used by the company for its charitable purposes. Such income may not be treated as a deduction from the capital cost, therefore the depreciation on the underlying asset is charged to the appropriate fund.

*Investment income*

Investment income is recognised on an accruals basis.

**Resources expended**

*Expenditure*

All expenditure is accounted for on an accruals basis. Expenditure categories include salaries, depreciation and other costs as analysed in note 6.

Costs of generating voluntary income are the costs associated with generating core funding grants, legacies and donations. These include any direct costs associated with these activities as well as an appropriate proportion of relevant staff costs, support costs, premises costs and depreciation.

Costs of activities for generating funds are the direct costs of our membership schemes, sponsorship and merchandising activities including direct staff costs and an appropriate proportion of support costs, premises costs and depreciation.

Costs of charitable activities includes all costs relating to delivering the charitable objectives of the company as stated in the directors' report plus an appropriate proportion of support costs, premises costs and depreciation.

Governance costs are the costs relating to the governance arrangements and infrastructure for Birmingham Royal Ballet. These include audit fees, certain legal fees, the costs of trustees' meetings, a proportion of the costs of the Chief Executive and Finance Director and appropriate proportion of support costs, premises costs and depreciation.

Support costs include general administration and management costs including HR, finance, IT and other general overheads of the business. These costs are necessary for delivering activities but do not directly produce or constitute the activity.

Costs have been allocated on a direct basis whenever possible and on an appropriate alternative basis (mainly staff numbers) in other instances.

**New production and revivals**

The costs to the company of sets and wardrobe for new and revived productions are charged in full to the relevant production project in the year the production is first performed, or the year it is revived. Costs

**BIRMINGHAM ROYAL BALLET**  
**(A Company Limited by Guarantee)**

**NOTES TO THE ACCOUNTS**  
**Period ended 31 March 2009**

incurred in the transport and set up of a production are assigned to the appropriate tour, in the year in which the tour occurred.

Prepayments for the next season are made in respect of productions to be presented in the next financial year.

**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2009**

**1. ACCOUNTING POLICIES (continued)**

**Operating leases**

Rental costs under operating leases are charged to the income and expenditure account in equal annual amounts over the period of the leases.

**Pension costs**

All permanent employees of the company are eligible to be members of one of the following defined contribution pension schemes:

- Dancers' Pension Scheme
- Birmingham Royal Ballet Pension Scheme
- Musicians' Union Pension Scheme

The pension costs charged to the income and expenditure account represent the amount of contributions payable by the company to the pension schemes in respect of the accounting year.

**Tangible fixed assets**

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Office equipment	10 - 25% per annum
Computer equipment	25% per annum
Technical equipment	10 - 33.3% per annum
Assets transferred from ROH: Premises	Written off over the remaining life of the lease

Fixed assets below £1,000 are not capitalised.

**Stock**

Stock consists of ballet shoes and merchandise for sale and is stated at the lower of cost and net realisable value.

**Fund accounting**

***Unrestricted funds***

Unrestricted funds are those which are expendable at the discretion of the Directors in furtherance of the objects of the charity.

***Restricted funds***

Restricted funds include donations, gifts, grants and legacies received whose use is restricted to purposes specified by the donor. Such purposes must be within the overall aims of the charity.

***Designated funds***

Designated funds are amounts which have been put aside at the discretion of the Directors and comprise funds for specific projects.

**Taxation**

The company is a charity for tax purposes and is entitled to claim charitable tax exemptions. The company has no liability to tax on its charitable activities.

**BIRMINGHAM ROYAL BALLET**  
**(A Company Limited by Guarantee)**

**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2009**

**2. FUTURE FUNDING**

The Company is dependent on the continuing financial support of Arts Council England and Birmingham City Council. Income from these sources in 2008-09 totalled £9,355,038 representing 68% of total income.

Arts Council England and Birmingham City Council have committed revenue funding of £7,987,147 and £1,111,800 respectively for the forthcoming financial year.

**3. VOLUNTARY INCOME**

	<b>2009 Un- restricted funds £</b>	<b>2009 Funds Restricted £</b>	<b>2009 Total Funds £</b>	<b>2008 Total funds £</b>
<b>Grants:</b>				
Arts Council England				
Revenue funding	7,777,162	-	7,777,162	7,572,500
Cross Border Touring	336,272	-	336,272	118,267
Birmingham City Council				
Revenue funding	1,091,604	-	1,091,604	1,070,200
Urban cultural project	-	-	-	25,000
China Tour 2009	150,000	-	150,000	-
<b>Donations:</b>				
Grants – Trusts and Foundations	142,440	-	142,440	188,474
Legacies	10,000	-	10,000	5,349
Other	165,988	-	165,988	137,646
	<u>9,673,466</u>	<u>-</u>	<u>9,673,466</u>	<u>9,117,436</u>

**BIRMINGHAM ROYAL BALLET**  
**(A Company Limited by Guarantee)**

**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2009**

**4. ACTIVITIES FOR GENERATING FUNDS**

	<b>2009 Un- restricted funds £</b>	<b>2008 Total funds £</b>
Memberships	106,437	84,868
Sponsorship	25,000	65,000
Sale of merchandise	12,609	14,668
Fundraising events	43,555	-
	<hr/>	<hr/>
	187,601	164,536
	<hr/> <hr/>	<hr/> <hr/>

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>2009 Un- restricted funds £</b>	<b>2008 Total funds £</b>
Box office income	2,164,608	1,974,509
Overseas touring	100,000	394,988
Production sales and hires	64,762	38,091
Programmes	113,357	100,884
Friends	37,436	35,438
Directors appeal	45,206	75,867
Orchestra projects	654,784	848,878
Education	29,522	28,109
Other fees and services	44,633	69,752
	<hr/>	<hr/>
	3,254,308	3,566,516
	<hr/> <hr/>	<hr/> <hr/>

**BIRMINGHAM ROYAL BALLET**  
**(A Company Limited by Guarantee)**

**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2009**

**6. ANALYSIS OF TOTAL RESOURCES EXPENDED**

	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Restricted Funds	Total Funds 2009	Total Funds 2008
	Direct staff costs £	Other direct costs £	Support costs £	Premises £	Depreciation £	Total Unrestricted Expenditure £	Depreciation £	Total £	Total £
<b>Costs of generating funds:</b>									
Costs of generating voluntary income	136,295	17,994	4,191	4,633	806	163,919	0	163,919	160,321
Costs of generating memberships and other funds	37,016	109,534	9,478	9,267	1,613	166,908	0	166,908	106,249
<b>Charitable activities:</b>									
Production and performance	6,698,651	3,900,518	714,980	523,577	136,845	11,974,571	12,074	11,986,645	10,676,747
Orchestra projects	684,455	37,729	16,331	4,633	806	743,954	0	743,954	870,380
Education projects	144,512	70,685	17,455	18,534	3,226	254,412	0	254,412	259,676
<b>Governance costs</b>	55,236	18,738	4,191	4,634	807	83,606	0	83,606	91,086
<b>Total</b>	<u>7,756,165</u>	<u>4,155,198</u>	<u>766,626</u>	<u>565,278</u>	<u>144,103</u>	<u>13,387,370</u>	<u>12,074</u>	<u>13,399,444</u>	<u>12,164,459</u>

Support costs comprise £295,359 (2007:£ 266,034) staff costs and £471,267 (2007: £500,596) overhead costs.

Support costs have been allocated on a direct basis whenever possible and on an appropriate alternative basis (mainly staff numbers) in other instances.

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**Period ended 31 March 2009**

**7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Employee costs during the period</b>		
Wages and salaries	6,981,628	6,426,566
Social security costs	705,945	655,583
Pension costs	355,045	308,192
	<u>8,042,618</u>	<u>7,390,341</u>
<b>Average number of full time equivalent employees employed</b>	<b>No</b>	<b>No</b>
Permanent:		
Artists and ballet staff	66	62
Sinfonia and music staff	52	51
Production and technical	18	20
Education	3	3
Support	12	12
Publicity and Development	13	12
Central management and administration	4	4
	<u>168</u>	<u>164</u>
Temporary:		
Support	1	1
Production and technical	14	12
	<u>15</u>	<u>13</u>
<b>Employees with total emoluments greater than £60,000 fell into the following bands:</b>	<b>2009</b>	<b>2008</b>
	<b>No</b>	<b>No</b>
£ 60,001 - £ 70,000	5	1
£ 70,001 - £ 80,000	6	4
£ 80,001 - £ 90,000	1	1
£ 90,001 - £ 100,000	0	0
£ 100,000+	2	2
	<u>2</u>	<u>2</u>

During the period pension contributions of £49,038 were paid in respect of 14 employees with total emoluments greater than £60,000.

The directors received no remuneration in the period.

During the period the total expenses reimbursed to five members of the Board amounted to £1,635 (2008: £1,405). This principally represents reimbursed travelling expenses and sundry expenses incurred in the management of the charity's affairs.

The charity has arranged insurance to protect the charity from loss arising from neglect or default of its trustees, employees or agents and to indemnify the trustees and officers from the consequences of any neglect or default on their part. The annual cost of such insurance which covers the trustees and the officers was £2,515 (2007: £2,872).

The Directors are not aware of any material transaction, contract or other arrangement with any connected person.

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**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2009**

**8. NET INCOMING/(OUTGOING)RESOURCES**

<b>Net incoming/(outgoing) resources are stated after charging:</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Operating lease rentals	252,953	253,192
Depreciation of owned assets	156,177	169,109
Auditors' remuneration:		
In respect of external audit fees	13,000	13,125
In respect of other services	1,508	-
	<u>          </u>	<u>          </u>

**9. TANGIBLE FIXED ASSETS**

	<b>Leasehold property</b>	<b>Computers</b>	<b>Fixtures, fittings and equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 April 2008	266,620	326,800	935,636	1,529,056
Additions	-	73,155	110,374	183,529
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2009	266,620	399,955	1,046,010	1,712,585
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Accumulated depreciation</b>				
At 1 April 2008	155,841	263,256	683,203	1,102,300
Charge for period	18,277	47,733	90,167	156,177
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2009	174,118	310,989	773,370	1,258,477
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value</b>				
At 31 March 2009	92,502	88,966	272,640	454,108
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 1 April 2008	110,779	63,544	252,433	426,756
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**10. STOCKS**

	<b>31 March 2009</b>	<b>1 April 2008</b>
	<b>£</b>	<b>£</b>
Shoes	73,909	57,802
Merchandise	7,699	8,635
	<u>          </u>	<u>          </u>
	81,608	66,437
	<u>          </u>	<u>          </u>

**11. DEBTORS**

	<b>31 March 2009</b>	<b>1 April 2008</b>
	<b>£</b>	<b>£</b>
Trade debtors	373,078	81,872
Other debtors	288,740	100,771
VAT	-	4,093
Prepayments	343,171	321,358
	<u>          </u>	<u>          </u>
	1,004,989	508,094
	<u>          </u>	<u>          </u>

Other debtors includes £63,375 (2008: £63,375) in respect of a rent deposit which is due in more than one year.

**BIRMINGHAM ROYAL BALLET**  
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**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2009**

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31 March 2009 £</b>	<b>1 April 2008 £</b>
Trade creditors	275,783	328,608
Other creditors	83,328	23,476
Taxation and social security	201,040	171,596
Accruals and deferred income	1,627,106	317,544
	<u>2,187,257</u>	<u>841,224</u>
<b>Movements in deferred income:</b>	<b>2008 £</b>	<b>2007 £</b>
Balance at 1 April 2008	79,650	73,936
Amounts released during the period	(79,650)	(73,936)
Deferred in the current period	1,267,105	79,650
Balance at 31 March 2009	<u>1,267,105</u>	<u>79,650</u>

Deferred income at 1 April 2008 comprised membership income, Gala Performance income and Directors' Appeal income relating to period ended 31 March 2009. Deferred income at 31 March 2009 comprised Arts Council and Birmingham City Council Funding, membership income, Director's Appeal income, donations and orchestra income relating to period ended 31 March 2010.

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**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2009**

**13. DESIGNATED FUNDS**

Designated funds comprise amounts set aside by the directors in respect of:

	At 1 April 2008 £	New De- signations £	Released/ expensed in the period £	At 31 March 2009 £
Capital Grants Fund	150,000	-	-	150,000
Community Engagement Fund	177,763	-	-	177,763
New Productions Fund	250,000	-	-	250,000
UK touring Fund	100,000	-	-	100,000
Overseas Touring Development Fund	50,000	-	36,557	13,443
Overseas Touring Activity Fund	175,000	-	175,000	-
	<u>902,763</u>	<u>-</u>	<u>211,557</u>	<u>691,206</u>

The Capital Grants Fund represents income designated for the acquisition of fixed assets to be used by the company for its charitable purposes. Such income may not be treated as a deduction from the capital cost, therefore the depreciation on the underlying assets is charged to the designated fund.

The Community Engagement Fund represents amounts received following the decision to wind up Birmingham Royal Ballet Trust. These funds have been re - designated from the former education fund to support community engagement work in accordance with our 2008-11 Business Plan.

The New Productions Fund represents income designated to support major new productions that will extend the repertory available for Birmingham Royal Ballet performances.

The UK Touring Fund represents funds set aside to support the development of UK touring, in particular an additional weeks performing at the London Coliseum in April 2009 and 2010.

The Overseas Touring Development Fund represents funds set aside to invest in the development of overseas touring by promoting Birmingham Royal Ballet internationally.

The Overseas Touring Activity Fund has been released in order to support Birmingham Royal Ballet's tour of China

**14. LIMITED BY GUARANTEE**

The company is limited by guarantee and does not have a share capital.

In the event of a winding-up order, each member guarantees to pay such amount as may be required, not exceeding £1, in respect of payment of the company's debts and liabilities.

Any assets remaining in the event of a winding-up order are to be transferred to another institution with similar objectives to those of the company. Consequently, no disclosures in respect of shareholders' funds are given as the members have no rights to such funds.

At 31 March 2009, there were 12 (2008: 12) members of the company.

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**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2009**

**15. RECONCILIATION OF INCOMING RESOURCES TO OPERATING CASH FLOWS**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Net incoming/(outgoing) resources before interest	(284,069)	684,029
Depreciation	156,177	169,109
(Increase)in stock	(15,171)	(3,319)
(Increase)/decrease in debtors	(496,895)	18,623
Increase in creditors	1,346,033	171,825
	<u>706,075</u>	<u>1,040,267</u>
<b>Net cash outflow from operating activities</b>	<u>706,075</u>	<u>1,040,267</u>

**16. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>32,622</u>	<u>29,757</u>
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	<u>(183,529)</u>	<u>(183,252)</u>

**17. ANALYSIS OF NET FUNDS**

	<b>At 1 April 2008</b>	<b>Cash flow</b>	<b>At 31 March 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash in hand and at bank	<u>1,092,649</u>	<u>555,168</u>	<u>1,647,817</u>

**18. FINANCIAL COMMITMENTS**

**Capital commitments**

At 31 March 2008 the company had £nil (2007: £nil) capital commitments which were contracted for but not provided in the financial statements.

**Operating lease commitments**

At 31 March 2008, the company was committed to making the following payments during the next year in respect of operating leases:

	<b>Premises</b>		<b>Other</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Leases which expire:				
Within two to five years	-	-	20,952	20,952
After five years	232,000	232,000	-	-
	<u>232,000</u>	<u>232,000</u>	<u>20,952</u>	<u>20,952</u>

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**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2009**

**19. PENSION COSTS**

The company contributes to three group personal pension schemes. The cost to the company for the period ended 31 March 2009 is equal to the amount of employer contributions paid in the period to each scheme, and is detailed below:

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Dancers' Pension Scheme	88,386	85,094
Birmingham Royal Ballet Pension Scheme	95,359	87,542
Musicians' Union Pension Scheme	61,729	53,178
	<u>245,474</u>	<u>225,814</u>

The company also contributes a fixed percentage of dancers' basic salaries to the Dancers' Resettlement Fund. In 2008-09 the company contributed a total of £89,571 (2007-08: £82,378).

At 31 March 2009 £59,322 (2008: £ 51,409) is included in creditors falling due within one year in respect of the Musicians' Union Pension Scheme.